



JON M. HUNTSMAN, JR.  
Governor

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Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

January 27, 2010

CERTIFIED RETURN RECEIPT  
7003 2260 0002 0247 9123

Jim Runquist  
TME Asphalt Ridge LLC  
4526 Ridgeview Drive  
Eagan, Minnesota 55123-1857

Subject: Notice of Non-Renewal of Letter of Credit, TME Asphalt Ridge LLC, TME AR Lecy Mine, S/047/0088, Uintah County, Utah

Dear Mr. Runquist:

Please review the enclosed notice of non-renewal notification from Associated Bank indicating letter of credit \_\_\_\_\_ in the amount of \$20,700.00 for the TME AR Lecy mine will not be renewed. According to the terms of the LOC, the bank may elect not to renew as long as a ninety-day notice is given to the Division. These terms have been met; therefore, effective April 26, 2010, the LOC will be not be renewed. Paragraph 2 of the Reclamation Contract, states the operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety on or before March 22, 2010, or the Division will be forced to do any/some of the following:

- Carry out the terms of LOC number
- Submit a request to the Board of Oil, Gas and Mining to withdraw the permit
- Order the cessation of mining operations
- Order immediate reclamation of all lands affected

If you have questions or require assistance regarding the surety, please contact Penny Berry (801) 538-5291 or email [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov).



Jim Runquist  
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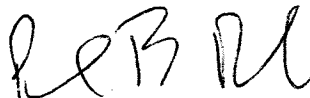
The Division periodically reviews reclamation sureties, and yours is now due for adjustment. The new amounts, based on average costs for similar-sized operations, are \$24,600.00 for a three-year escalation (surety next reviewed in 2013) or \$25,200.00 for a five-year escalation (next reviewed in 2015). We anticipate that you will be renewing the letter of credit or obtaining a new form of surety, and the new amount, \$24,600.00 or \$25,200.00, needs to be included in the new surety.

Rather than increasing the surety for this mine, the Division requests that the area where this mine is located be included in the permit area for the TME Asphalt Ridge #1 mine (M/047/0089). The Cameron mine (S/047/0036) should also be included.

Whether you increase the surety for the TME AR Lecy mine or include it with the TME Asphalt Ridge #1 mine, the TME AR Lecy mine needs to be continuously covered by a reclamation surety, and the Division will carry out the terms of the LOC if no form of replacement surety has been received by March 22, 2010.

Thank you in advance for your prompt attention to this important permitting requirement. If you have questions about this letter, please contact me at 801-538-5261.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Baker'.

Paul Baker  
Minerals Program Manager